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Federal Order No. 90, 5916 Brainerd Road, Chattanooga, Tennessee 37411  
J. B. McCroskey, Market Administrator

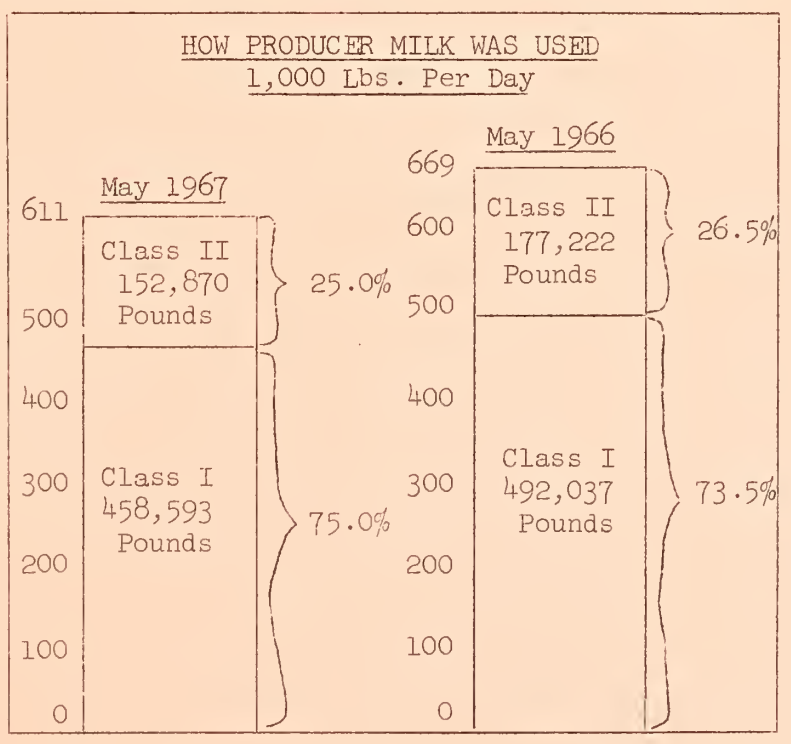
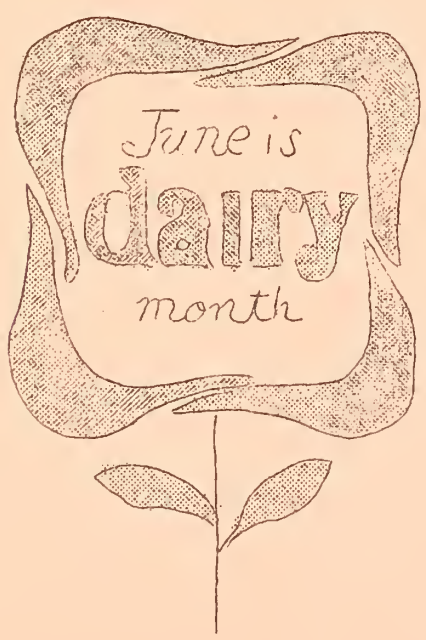
MARKET SUMMARY - MAY 1967

The Order MINIMUM uniform producer prices per cwt. f.o.b. Chattanooga Area pool plants for milk testing 3.5% are: Base Milk \$5.54, Excess Milk \$3.32. The producer butterfat differential is 8.2 cents for each one-tenth of one percent above or below 3.5 percent. This is a base price increase of \$0.57 per cwt. and an excess price increase of \$0.30 per cwt. over May 1966.

During May 75.0% of the total producer milk was priced in Class I at \$6.00 per cwt. with a butterfat differential of 8.6 cents and 25.0% priced in Class II at \$3.36 per cwt. with a butterfat differential of 7.6 cents. The daily average use of Gross Class I decreased 0.6% compared with April 1967 and decreased 0.1% compared with May 1966.

The daily average producer deliveries was 611,463 pounds in May 1967, a decrease of 32,296 pounds per day compared with April 1967 and a decrease of 57,796 pounds compared with May 1966. Percentage-wise, May deliveries decreased 5.0% compared with April 1967 and decreased 8.6% compared with May 1966. Base milk was 90.4% and excess milk was 9.6% of the total producer deliveries. All excess milk and 17.1% of base milk was priced in Class II and 82.9% of base milk was priced in Class I. The daily average farm delivery was 1,108 pounds compared with 1,036 pounds per farm for May 1966. This is an increase of 72 pounds (8.4 gallons) per farm per day.

LABORATORY ACTIVITIES - Producer Fresh Milk Tests 4,716 - Handler Finished Products 176.



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	% May '67 Over May '66	May 1967	Apr. 1967	May 1966
Number of Plants (Pool and Non-Pool)		9	9	11
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk - Base	- 8.8	553,010	566,415	606,628
- Excess	- 6.7	58,453	77,344	62,631
- Total	- 8.6	611,463	643,759	669,259
Other Source	+ 49.1	25,664	22,030	17,211
Other Federal Orders	+112.6	49,648	55,361	23,350
Total Milk Receipts	- 3.2	686,775	721,150	709,820
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>				
Class I Uses:				
Homo Milk	- 9.2	362,382	364,536	398,931
Regular Skim	- 2.4	16,189	16,464	16,595
Special Skim - 2%	+272.9	36,994	35,605	9,921
Buttermilk	- 4.9	40,785	42,019	42,892
Flavored Milk and Drink	- 12.5	12,201	12,002	13,945
Creams (Sweet and Sour)	- 10.8	3,179	2,942	3,563
Other (Shrinkage, Inventory, etc.)		(1,484)	712	5,424
Transfers to Non-Pool Plants		27,575	26,644	6,996
Total Class I Milk	- 0.1	497,821	500,924	498,267
Class II Uses:				
Ice Cream Mixes		40,221	48,432	43,119
Cottage Cheese		32,609	34,089	32,757
Powdered and Condensed Milk		49,948	89,009	61,564
Livestock Feed and Skim Dumped		7,067	7,081	5,918
Shrinkage Class II		9,319	10,461	11,033
Other (Butter, Inventory, etc.)		5,289	13,037	4,922
Transfers to Non-Pool Plants		44,501	18,117	52,240
Total Class II Milk	- 10.7	188,954	220,226	211,553
Class I Pounds in Marketing Area	- 2.6	289,488	298,212	297,301
Class I Pounds Outside Marketing Area	+ 3.7	208,333	202,712	200,966
% Producer Milk of Gross Class I		122.8	128.5	134.3
% Producer Milk priced in Class I		75.0	71.9	73.5

JUNE 1967 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	June '67	May '67	June '66
Per \$ 1090.51(a)			
Basic Formula	\$4.05	\$4.05	\$3.65
Plus Class I Differential	1.95 <u>1</u>	1.95 <u>1</u>	1.75
Supply-Demand Adjustment	0.16	0.00	0.02
Class I Price, 3.5% Butterfat	\$6.16	\$6.00	\$5.45 <u>2</u>
Supply-Demand Comparison: 1st and 2nd preceding months: April and May			
Supply: Lbs. Producer Milk (Apr. 19,312,763 and May 18,955,354)			38,268,117
Demand: Lbs. Net Class I Milk (Apr. 14,841,113 and May 15,434,772)			30,275,885
Utilization Percentage: Producer milk divided by Class I			126
Standard Utilization Percentage: Range 134-138			134
Net Deviation Percentage: Utilization minus Standard Utilization			Minus 8
Supply-Demand Adjustment: 2 cents x 8 percentage points			Plus \$0.16

1 Class I differential increased 20 cents per Order amendment effective May 1, 1967.

2 Class I minimum price per Order amendment effective April 10, 1966.



COMPUTATION OF PRODUCER UNIFORM BASE AND EXCESS PRICES  
AND WEIGHTED AVERAGE PRICE

MAY 1967	Class %	Milk Pounds	Butterfat Test - %	Cwt.Price @ Test	Gross Value
Gross Class I		15,432,455	3.485		
Less Other Source		1,216,065	3.145		
Producer Milk Class I	75.0	14,216,390	3.514633	\$6.012584	\$ 854,772.39
Gross Class II		5,857,568	4.938		
Less Other Source		1,118,604	3.501		
Producer Milk Class II	25.0	4,738,964	5.276575	4.710197	223,214.54
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	18,955,354	3.955131		1,077,986.93
Add Fractional Adjustment					.10
Add Value of Inventory Reclassified					1,272.16
Add Value of Other Source Receipts					
Allocated to Class I and Location Adj.		243,440			11,016.42
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					8,254.95
TOTAL VALUE AT TEST		19,198,794	3.927616	5.721873	1,098,530.56
Less Test over 3.5% @ 8.2¢ per point		19,198,794	.427616	.350645	67,319.61
TOTAL UTILIZATION VALUE AT 3.5%		19,198,794	3.5	5.371228	1,031,210.95
Less Reserve Per \$ 1090.71(f)		19,198,794		.041228	
WEIGHTED AVERAGE PRICE - 3.5% TEST		19,198,794	3.5	\$5.33	
Less FMP from Unregulated Supply Plants					
Allocated to Class I @ Wt. Av. Price		243,440	3.5	5.33	12,975.35
TOTAL PRODUCER MILK VALUE @ 3.5% TEST		18,955,354	3.5		\$1,018,235.60
		Pounds	Price	Amount	
Excess Producer Milk Used in Class I		-	-	-	
Excess Producer Milk Used in Class II		1,812,056	\$3.36	\$60,885.08	
Total Value of Excess Milk		1,812,056	3.36	60,885.08	
Less Prod.-Settlement Fund Reserve @ 4¢		1,812,056	.04		724.82
UNIFORM EXCESS PRICE - 3.5% TEST		1,812,056	\$3.32		\$ 60,160.26
Total Value of Base Milk		17,143,298	5.584401		957,350.52
Less Producer-Settlement Fund Reserve		17,143,298	.044401		7,611.80
UNIFORM BASE PRICE - 3.5% TEST		17,143,298	\$5.54		\$ 949,738.72

MAY 1967 MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS  
BUTTERFAT DIFFERENTIAL 8.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICES		TEST %	PRICES		TEST %	PRICES	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0	\$5.13	\$2.91	4.0	\$5.95	\$3.73	5.0	\$6.77	\$4.55
3.05	5.171	2.951	4.05	5.991	3.771	5.05	6.811	4.591
3.1	5.212	2.992	4.1	6.032	3.812	5.1	6.852	4.632
3.15	5.253	3.033	4.15	6.073	3.853	5.15	6.893	4.673
3.2	5.294	3.074	4.2	6.114	3.894	5.2	6.934	4.714
3.25	5.335	3.115	4.25	6.155	3.935	5.25	6.975	4.755
3.3	5.376	3.156	4.3	6.196	3.976	5.3	7.016	4.796
3.35	5.417	3.197	4.35	6.237	4.017	5.35	7.057	4.837
3.4	5.458	3.238	4.4	6.278	4.058	5.4	7.098	4.878
3.45	5.499	3.279	4.45	6.319	4.099	5.45	7.139	4.919
3.5	5.54	3.32	4.5	6.36	4.14	5.5	7.18	4.96
3.55	5.581	3.361	4.55	6.401	4.181	5.55	7.221	5.001
3.6	5.622	3.402	4.6	6.442	4.222	5.6	7.262	5.042
3.65	5.663	3.443	4.65	6.483	4.263	5.65	7.303	5.083
3.7	5.704	3.484	4.7	6.524	4.304	5.7	7.344	5.124
3.75	5.745	3.525	4.75	6.565	4.345	5.75	7.385	5.165
3.8	5.786	3.566	4.8	6.606	4.386	5.8	7.426	5.206
3.85	5.827	3.607	4.85	6.647	4.427	5.85	7.467	5.247
3.9	5.868	3.648	4.9	6.688	4.468	5.9	7.508	5.288
3.95	5.909	3.689	4.95	6.729	4.509	5.95	7.549	5.329

## CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES <sup>1/</sup> Per Hundredweight				HANDLER CLASS PRICES <sup>1/</sup>			
	Uniform	Base	Excess	Bf.Dif.	Class I		Class II	
					Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
May '66	\$4.79 <sup>2/</sup>	\$4.97	\$3.02	8.0¢	\$5.45	8.2¢	\$3.06	7.3¢
June	4.87 <sup>2/</sup>	5.01	3.08	8.0	5.45	8.3	3.12	7.6
July	5.28 <sup>2/</sup>	5.44	3.24	8.4	5.767	8.6	3.28	8.2
Aug.	5.27	-	-	9.0	5.84	9.3	3.49	8.4
Sept.	5.66	-	-	9.4	5.87	9.5	4.25	8.6
Oct.	5.65	-	-	9.2	6.01	9.7	3.99	7.9
Nov.	5.68	-	-	8.6	6.09	8.9	3.95	7.8
Dec.	5.65	-	-	8.4	6.07	8.8	3.90	7.6
Jan. '67	5.62	-	-	8.2	6.09	8.6	3.90	7.6
Feb.	5.50	-	-	8.2	6.05	8.6	3.37	7.6
Mar.	5.36 <sup>2/</sup>	5.54	3.33	8.2	5.92	8.6	3.37	7.6
Apr.	5.19 <sup>2/</sup>	5.45	3.31	8.2	5.94	8.6	3.35	7.6
May	5.33 <sup>2/</sup>	5.54	3.32	8.2	6.00	8.6	3.36	7.6
June	-	-	-	-	6.16	8.6	-	-

## PRICES USED IN DETERMINING CLASS PRICES AND BUTTERFAT DIFFERENTIALS

Date	CLASS II ALTERNATIVE FORMULAS \$-cwt-3.5%			PRICE QUOTATIONS			Basic Formula \$-cwt-3.5%
	4 Tenn.	Butter	4 Tenn.	Chi.92°	Chi.Area	Minn/Wisc.	
	Milk Mfg.	Powder	Milk Mfg.	Butter	Powder	Mfg. Milk	
			\$-cwt-4%	¢ Lb.	¢ Lb.	\$-cwt-3.5%	
May '66	3.06	3.55	3.425	63.54	16.70	3.65	3.65
June	3.12	3.65	3.500	65.99	16.81	3.82	4.00 <sup>4/</sup>
July	3.28	4.02	3.688	71.19	18.83	4.05	4.05
Aug.	3.49	4.17	3.913	73.05	19.63	4.26	4.26
Sept.	3.55	4.25	3.981	74.88	19.73	4.34	4.34
Oct.	3.57	3.99	3.969	68.80	19.64	4.26	4.26
Nov.	3.52	3.95	3.913	67.70	19.74	4.15	4.26 <sup>4/</sup>
Dec.	3.50	3.90	3.881	66.49	19.58	4.14	4.26 <sup>4/</sup>
Jan. '67	3.47	3.90	3.850	66.47	19.57	4.08	4.26 <sup>4/</sup>
Feb.	3.37	3.86	3.750	66.47	19.46	4.02	4.15 <sup>4/</sup>
Mar.	3.37	3.86	3.750	66.46	19.48	4.01	4.15 <sup>4/</sup>
Apr.	3.35	3.86	3.731	66.45	19.47	3.98	4.05 <sup>4/</sup>
May	3.36	3.86	3.744	66.47	19.44	3.96	4.05 <sup>4/</sup>

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK <u>3/</u>			PRODUCER DATA <u>3/</u>				Deliveries Per			Prod. Milk Test%
	No.	Total	Class I	Class I	Total	Base	No.	Farm----Pounds			
	Hdlrs.	Receipt	Use	Use	Delivery	Delivery	Prod.	Prod.	Base	Exc.	
May '66	11	709,820	498,267	492,037	669,259	606,628	646	1,036	939	97	3.95
June	11	664,459	492,255	477,148	624,721	579,064	642	973	902	71	3.90
July	9	606,531	461,978	450,482	558,984	520,301	601	930	866	64	3.89
Aug.	9	627,073	467,668	460,875	602,478	-	602	1,001	-	-	3.87
Sept.	9	669,440	573,722	549,013	617,915	-	591	1,046	-	-	3.95
Oct.	9	641,779	534,469	499,096	585,436	-	575	1,018	-	-	4.15
Nov.	9	621,225	507,725	474,427	565,267	-	571	990	-	-	4.20
Dec.	10	642,424	511,500	476,665	575,620	-	572	1,006	-	-	4.22
Jan. '67	9	645,961	508,383	468,006	581,714	-	568	1,024	-	-	4.21
Feb.	9	623,312	489,998	451,595	558,785	-	550	1,016	-	-	4.15
Mar.	9	680,040	518,872	477,073	602,753	554,123	562	1,073	986	87	4.02
Apr.	9	721,150	500,924	463,179	643,759	566,415	555	1,160	1,021	139	3.91
May	9	686,775	497,821	458,593	611,463	553,010	552	1,108	1,002	106	3.96

<sup>1/</sup> Excludes Premiums<sup>2/</sup> Weighted Average Price<sup>3/</sup> Other Source is Gross minus Producer; Class II is receipts minus Class I<sup>4/</sup> Basic Formula "floor" per Order Amendments

The Chattanooga Federal Order provides (§1090.73) that the applicable uniform price to be paid each producer shall be increased or decreased for each one-tenth of one percent which the average butterfat content of his milk is above or below 3.5 percent, respectively, at the rate determined by multiplying the pounds of butterfat in producer milk allocated to each class by the appropriate butterfat differentials for such class and dividing by the total butterfat in producer milk, and rounding to the nearest fifth of a cent. This differential is used in the table at the bottom of page 3 to adjust the uniform price to the price at test of milk delivered by each producer. The following table shows the computation of the producer butterfat differential for May 1967.

MAY 1967 PRODUCER BUTTERFAT DIFFERENTIAL COMPUTATION

<u>Per \$ 1090.73</u>	<u>B'Fat Use Percentage</u>	<u>Prod. Lbs. Butterfat</u>	<u>Class B'Fat Differential</u>	<u>Butterfat Value</u>
Class I	66.6	499,654	\$0.86	\$429,702.44
Class II	33.4	250,055	0.76	190,041.80
Total	100.0	749,709		\$619,744.24

Total Butterfat value ÷ Total Producer fat pounds = \$0.826646

Producer Butterfat Differential per point variation - - - - - \$0.082

NUMBER OF FARM PAYROLL ACCOUNTS

	<u>1966</u>								<u>1967</u>				
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
New	1	3	2	8	41	2	4	1	3	1	18	3	0
Quit	8	7	43	7	52	18	8	0	7	19	6	10	3
Total	646	642	601	602	591	575	571	572	568	550	562	555	552

PRODUCER RECEIPTS COMPARED WITH GROSS CLASS UTILIZATION  
JANUARY THRU MAY

1967	Producer Milk	90,632,563 lbs.	down 7.6% from 1966
1966	Producer Milk	98,034,301 lbs.	
1967	Gross Class I	76,025,049 lbs.	down 4.3% from 1966
1966	Gross Class I	79,400,795 lbs.	
1967	Gross Class II	25,458,250 lbs.	up 6.4% from 1966
1966	Gross Class II	23,928,889 lbs.	

0                      20                      40                      60                      80                      100  
(Million Pounds)



UNITED STATES DEPARTMENT OF AGRICULTURE  
Consumer and Marketing Service  
Dairy Division  
CHATTANOOGA, TENNESSEE MARKETING AREA  
Federal Order No. 90

DAIRY COUNCIL AND AMERICAN DAIRY ASSOCIATION DEDUCTIONS

A request, quoted below, was received by the Market Administrator from the Chattanooga Area Milk Producers Association. It was requested that all producers supplying milk to the Chattanooga area handlers be given an opportunity to continue contributing to the American Dairy Association and Dairy Council agencies.

"Whereas, A determination was made by the Market Administrator in June 1966 that there was no substantial opposition by milk producers to the making of deductions for the support of the Dairy Council and American Dairy Association in the Chattanooga area, and,

"Whereas, The Chattanooga Area Milk Producers Association, representing a substantial number of milk producers, continues to endorse and commend these programs, and,

"Whereas, The individual milk producer may, by written request, prevent the deductions if he does not desire to cooperate, and,

"Whereas, It is important that all Chattanooga dairymen be offered the opportunity to collectively continue supporting these educational, advertising, merchandising, research and public relations programs,

"Now, Therefore, Be It Resolved, That the Chattanooga Area Milk Producers Association request that the Market Administrator renew or continue the determination that there is no substantial opposition by the milk producers in the Chattanooga area to making deductions for the support of the Dairy Council and American Dairy Association.

"Be It Further Resolved, That if the Market Administrator renews or continues the determination referred to in the preceding paragraph, deductions of 1 cent per hundredweight for Dairy Council and 2 cents per hundredweight for American Dairy Association be continued until further action by the Board."

The Market Administrator has made a review of current producer deductions and the Chattanooga Producers Association's request. By these and other means, as in accordance with the Secretary's instructions, it is hereby determined there is no significant opposition by area milk producers to making deductions for the support of these programs.

It is now possible as a result of this determination for Chattanooga Area handlers to cooperate with American Dairy Association and Dairy Council programs by making specific hundredweight deductions (1¢ DC and 2¢ ADA) from payments to milk producers, provided the handler gives each producer advance notice of his intentions to make these deductions for one year beginning July 1967. All handlers are advised not to make a deduction if a producer writes requesting that no such deduction be made. My auditors will examine all letters which producers send handlers regarding these deductions. We will also verify that the proper agency receives all money deducted for its support from producer payments.

J. B. McCroskey  
Market Administrator

Date: June 5, 1967